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## ***3.0 Customer Focus***

### 3.1 Customer and Market Knowledge

#### 3.1a(1) Determining customer groups and markets

Our charter, our ten areas of expertise, and the HQUSACE Board of Directors define our competitive limits. Laws, regulations, and manpower ceilings also limit competition. For example, without specific authority, we are not allowed to compete with private industry. In addition, HQUSACE regulates new work distribution within the Corps of Engineers. Within those narrow limits, we study the military market for areas that could benefit from our services. As a result, we segmented our business into product lines to meet various market needs. We also segmented our customers into the three groups in table 3.1-1 for further market perspective (fig. 7.1-6). Using all that information during annual strategic planning (2.1), we determined our FY2004 end-state as stated in table 2.2-1.

*Table 3.1-1. Product line customer groups*

<b>Command group.</b> The highest level of the organization. Concerned with policy and overall execution. Deals with all aspects of the program and how the program relates to other agencies.
<b>Program group.</b> Deals with fiscal performance and execution of tasks at the program level. Programs are generally large and diverse and are direct-funded efforts.
<b>Project group.</b> Deals with fiscal performance and execution of tasks. In contrast to programs, projects are more narrowly focused, with shorter, defined time limits.

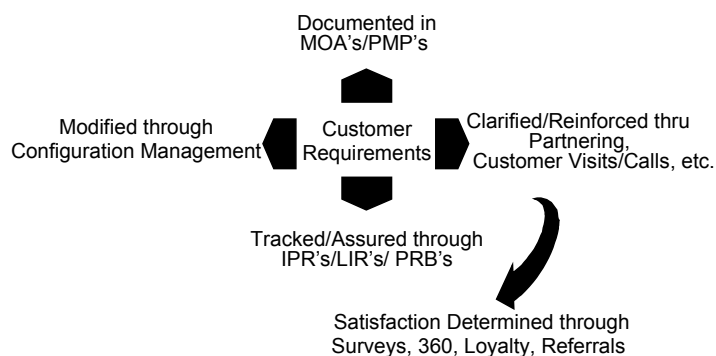
**3.1a(2) Determining key requirements** Table 3.1-4, column 2, shows our product line listening and learning strategies. Table 3.1-2 shows what data we obtain and how we use it to determine customer requirements that will affect purchasing decisions. The information obtained is used to revise listening and learning strategies and develop or update customer project management plans. It is also used corporately in our strategic planning process (fig. 2.1-1) to update the Center's operation plan (table 2.2-1, teams 2, 3, and 12) and supporting product line business plans.

*Table 3.1-2. How we use data from collection methods listed in table 3.1-4*

Focus	Data and Analysis Tools
What we learn about needs	<ul style="list-style-type: none"> <li>•Key requirements: cost, responsiveness, quality, safety</li> <li>•Unique needs: design, construction, maintenance, ordnance removal, deployed forces support</li> </ul>
How we identify purchase drivers	<ul style="list-style-type: none"> <li>•Market data: industry expos, technology forums, working groups</li> <li>•Customer data: current &amp; new customer needs, lost customer analysis, complaints</li> </ul>
How we evaluate data	<ul style="list-style-type: none"> <li>•LIR's, PRB's, IPR's (table 1.1-1)</li> <li>•Customer satisfaction data analysis (fig. 3.2-1)</li> </ul>

#### 3.1a(3) Determining product and service features

Fig. 3.1-1 shows our corporate process for defining and documenting customer requirements, product and service features, and customer access needs in table 3.1-4. To determine technical needs and communication preferences, we hold partnering meetings with customers. We then document customer requirements in MOA's and/or PMP's; clarify and reinforce them through further partnering sessions and customer visits; track them through IPR's, LIR's, and PRB's (table 1.1-1); and modify them through configuration management, as needed (6.1a). Performance measures for key requirements are used to determine if we met requirements (table 4.1-1). Also, our product delivery performance report cards and our annual customer survey provide information on customer likes and dislikes (3.2).



*Figure 3.1-1 shows how we determine and manage customer requirements, receive feedback on recent transactions, and update the listening and learning strategies and access methods in table 3.1-4.*

To determine long-term requirements, we:

- Review customers' current requirements.
- Survey customers' future needs (table 7.1-1 #18).
- Analyze DOD guidance, the program objective memorandum (POM), and federal legislation.
- Attend industry expos, technology forums, and technical working groups.

Our ability to project customer and market needs has resulted in more work as shown in table 3.1-3.

*Table 3.1-3. Increased work resulting from improved product and service features*

Product line	New work/Customers
Installation Support	Center for Public Works energy program
Medical Program	Medical Facilities Office
Ballistic Missile Defense	National Missile Defense central manager for facility design
Chemical Demil	Russian Demil facility construction
Ordnance & Explosives	Ft. McClellan BRAC

Table 3.1-4 Product line communications methods

Product Line	Listening and Learning Strategies	Customer Access
Demilitarization	Daily dialogue, weekly conferences, monthly visits, monthly face-to-face meetings, partnering, ERG, PRT, draft statements of work review by customer, customer survey, 360.	Assigned project manager, liaison at customer facility, website, monthly management review meetings, IPR's every 6 weeks with customer, contractor, suppliers.
Ordnance and Explosives	Pre-planning meetings, weekly tracking of customer feedback, quarterly IPR's, JPG tests, UXO Forum and other tech. conferences.	Assigned project manager, website, new customer survey, product/service survey, annual report, OE newsletter.
Installation Support	Partnering and planning sessions, quarterly updates and IPR's, team and interface meetings, conferences, seminars, configuration control boards, liaison customer facilities, draft RFP's sent to customer for comment, national conferences, customer/product surveys, site visits to end user, 360.	Assigned project manager, team leader liaison, bulletin boards updating documents, website, pagers, design manuals on the Internet, database allowing customer project status for CDUP, technical working groups, hotlines for Ranges, TRACES, and PAX.
Operational Forces Support	Direct consultation, teleconferences, tri-annual planning sessions, IPR's, conferences, customer/product surveys, 360.	Assigned project manager, DOG pamphlet in electronic format, annual Senior Leader Conference.
Medical Program	Daily telephone dialogue, weekly team meetings, monthly LIR's, quarterly IPR's, site and customer visits, customer project documents review.	Assigned project manager, website, pagers, central database, monthly reports, continual contact with facility reps.
Ballistic Missile Defense Program	Daily telephone dialogue, monthly LIR's, customer/partner meetings, customer survey, 360.	Assigned project manager, pager for primary POC, quarterly IPR's, weekly VTC with customers and partner, bi-weekly customer meeting, site and customer visits.

Increases in the Installation Support and Medical Programs resulted from marketing a time- and money-saving maintenance, repair, and renewal process we developed for our Energy Program. Our work for National Missile Defense was built through our long-term reputation in Ballistic Missile Defense work. The Russian Demil Program was transferred to us per customer request based on our current and past performance.

**3.1a(4) Keeping listening and learning current** Table 3.1-5 shows processes used to evaluate and improve current and future listening/learning approaches:

Table 3.1-5. Improving listening and learning

Process Used	Real-time actions	Strategic Plans
Customer Management Process (fig. 3.1-1)	√	√
Complaint Management Process (fig. 3.2-1)	√	√
Gap analysis (fig. 1.1-3)		√

Listening and learning strategies are updated as customer requirements change (fig. 3.1-1) and issues are resolved (fig. 3.2-1). Data from all three processes are aggregated and evaluated during strategic planning (fig. 2.1-1) and incorporated into the operations plan as needed (table 2.2-1, teams 2, 3, and 5).

### 3.2 Customer Satisfaction and Relationships

#### 3.2a Customer relationships

**3.2a(1) Accessibility** Our project management process is our primary system for ensuring strong customer focus and close contact with the customer. Each project customer has its own project

manager (PM), who is the primary customer contact.

As shown in fig. 3.1-1, we then determine individual customer contact requirements in table 3.1-4 during initial partnering sessions. To meet changing requirements, we update approaches through IPR's, other customer reviews, or requests to the PM.

To ensure that customer contact is continuous and proactive, management policy requires that the staff initiate frequent personal contact with customers.

**3.2a(2) Deploying contact requirements** Table 3.2-1 summarizes our standard customer service process, including major customer contact points, key requirements of the contacts, and adequacy indicators.

Table 3.2-1. Standard key customer service process

Key Contact	Key Requirements	Key Indicators
Making the deal	Key players attend meeting, product needs, resources required, delivery timeline	MOA or formal agreement
In-process reviews	Milestones defined cost/schedule status	Up-to-date Project Management Plans
Product delivery	Meet product needs and teamwork agreements	Product/service performance review

With 500 projects to execute, our challenge is to tailor processes to individual requirements. We do that through our integrated process teams (IPT's). Lead by a PM, IPT's are cross-functional teams that integrate processes to deliver specific products and services. IPT members become knowledgeable of specific contact requirements through team meetings and MOA's/PMP's. To reinforce the importance of customer focus and communication, IPT perform-

ance measures include customer satisfaction ratings. Goals are based on comparisons with similar providers (figs. 7.1-1, -3, -5). We receive high ratings for flexibility in responding to needs and seeking requirements (figs. 7.1-1, -3, #'s 1 and 8). Also, external customers also rate IPT members through 360.

**3.2a(3) Complaint management** Fig. 3.2-1 shows the flow of our complaint management process. PM's receive complaints through communication methods in table 3.1-4, our management process in fig. 3.1-1, or surveys. PM's analyze complaints and ensure that problems are resolved either within the team or through higher levels. Customers are included in and approve resolutions. Customer satisfaction data and concerns are shared at LIR's/PRB's. To ensure that complaints are answered promptly and satisfactorily, IPT team award measures include customer satisfaction goals. Our customer survey team independently conducts the annual survey and collects the data. The survey team analyzes data by command group (table 3.1-1), product line, and individual PM, aggregating and

reporting findings to the PM and the LIR/PRB. All customers who rated us below 3 in any category are contacted quickly (fig. 7.1-8). In addition, directors send letters to respondents, staffed through the commander for signature. The letters address corrective actions on specific issues. PM's develop improvement plans that become part of their business action plans and are briefed at the PRB.

Since 1995, we have increased our customers' satisfaction in how we solicit, listen to, and resolve concerns (fig. 7.1-1, question 4).

**3.2a(4) Building relationships** We build customer relationships in two ways:

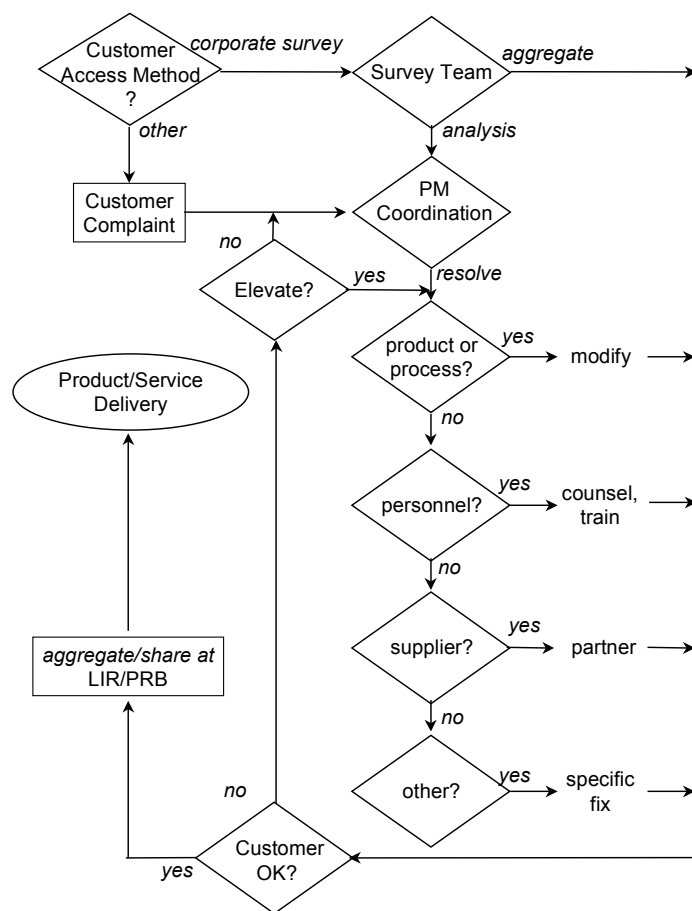
- *Customer-focused culture.* Building customer relations begins with our work design, which aligns along internal and external customer service as described in 5.1. We strengthen these relationships through our customer management and complaint processes (figs. 3.1-1 and 3.2-1) and 360 review and team performance awards.
- *Strategic planning.* We also build customer relationships through our operations plan KSF "Focus On Customer and Market Needs" (table 2.2-1).

Our customer satisfaction survey shows a high level of customer loyalty: 94% said that we would be their choice for future work, 95% said they would recommend us to other organizations, and nearly 35% stated that they knew of other organizations that would benefit from our services (table 7.1-1). Good relationships with customers gained us work as described in table 3.1-3 and charted in figs. 7.2-17, -18, -19.

**3.2a(5) Evaluation and improvement** We continually refine customer access methods in table 3.1-4 through our customer management process in fig. 3.1-1, annually through our customer satisfaction survey (table 7.1-1, questions 1, 4, and 9), and annually through our gap analysis (fig. 1.1-3). Table 3.2-2 summarizes customer access improvements.

*Table 3.2-2. Access/relationship improvements*

Review process	Improvements
Customer management process (fig. 3.1-1)	Improved PMP's. Top management involvement emphasized.
Annual Survey analysis (table 7.1-1) and complaint management (fig. 3.2-1)	Product performance report cards. Required PM weekly customer contacts.
Gap analysis (fig. 1.1-3)	Customer management SOP. Customers included in 360 ratings. Team performance goals.



*Figure 3.2-1. Complaint management process*

Furthermore, during strategic planning, we developed several strategic initiatives through our annual SWOT analysis specifically aimed at building customer relationships (table 2.2-1):

- Team 2: Establish a team to monitor market trends and propose marketing strategies.
- Team 3: Develop marketing strategies for joint service and support for others opportunities.
- Team 5: Improve methodology for reviewing changing missions and customers.
- Team 12: Improve customer-relations management process.
- Team 13: Increase formal partnering with Corps regional business centers.

### **3.2b Customer satisfaction determination**

#### **3.2b(1) Satisfaction determination methods**

- *Customer retention and referrals.* Fig. 7.2-17 shows development of our customer base since 1969. We also track customer retention and referrals through customer satisfaction survey questions (table 7.1-1, #14, #16, #18, #19). Fig. 7.1-9 shows long-term customers.
- *Market growth.* Market data discussed in 3.1a(3) and summarized in table 3.1-3 and current and projected workloads from tables 2.2-3 and -4 and figs. 7.2-17, -18, -19 are also satisfaction indicators.
- *Product/service performance.* Product lines have tailored performance “report cards” provided to customers at product/service delivery. Such performance data and rework rates are used to project satisfaction and validate annual customer satisfaction results (fig. 7.1-11 and table 7.1-2).
- *360 feedback.* Another tool for customer service satisfaction is our 360 review (1.1a(1), 5.1a(3)). Employees in the GS/GM 13-15 group include external customers as raters.
- *Comparison to similar providers.* See 3.2b(3).
- *Annual External Customer Survey.* Our annual customer satisfaction survey process is a Center-wide tool for determining customer satisfaction. Survey results are acted upon as shown in fig. 3.2-1, with low scores addressed through improvement plans. Our annual customer satisfaction survey data are analyzed and used in several ways:
  - >To determine customer satisfaction Center-wide (figs. 7.1-1, -2).
  - >To determine customer satisfaction for market segments (figs. 7.1-6).
  - >To determine areas of improvement (fig. 7.1-8).

- >To determine/rank customer needs (table 7.1-1, #17 and #18, fig. 7.1-5).
- >To compare to similar providers (table 7.1-1, #16, figs. 7.1-3, -4).
- >To obtain seek new customers (table 7.1-1, #19 and #20).
- >To seek future customer needs (table 7.1-1, #18) as described in 3.1a(3).

**3.2b(2) Follow-up on recent transactions** IPT’s seek feedback on recent transactions through IPR’s or partnering meetings (fig. 3.1-1). Such regularly scheduled reviews with customers and suppliers ensure that the customer is satisfied with project progress. IPT’s find it beneficial to seek customer feedback through real-time performance data requests at key milestones and at product delivery. Even more, PM’s have continual contact with their customer through daily dialogue, weekly conference calls, and visits to customers. For issues elevated to higher levels, senior managers or the commander calls or visits the customer.

**3.2b(3) Customer satisfaction and competitors** We determine customer satisfaction relative to similar providers by comparing our annual customer satisfaction survey results Corps-wide and with individual Corps military districts and MSC’s (fig. 7.1-3, -4). Because HQUSACE adopted our customer survey for Corps-wide use, we have an objective and parallel method for comparing customer satisfaction data to similar providers. Corps comparisons are critical to fulfilling our strategic objectives because our primary threat is HQUSACE distribution of work. Table 7.1-1 #16 shows customer satisfaction compared to our competitors/similar providers.

**3.2b(4) Evaluation and improvement** We evaluate and improve our satisfaction determination process through our annual gap analysis (fig. 1.1-3). Improvements made since 1995 include:

- Aggregated and analyzed customer satisfaction data Center-wide and tracked corrective action plans for dissatisfied customers through a formally established survey team.
- Segmented survey results by product line, directorate, individual projects, project managers, and command levels.
- A weighting factor (fig. 7.1-5).
- Revised/new questions to meet changing needs.
- Satisfaction compared to competitors.
- Referral potential.
- Review customer satisfaction at PRB’s.